

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

IN RE:

ACKNOWLEDGEMENT OF ASSIGNMENT AND SALE OF)	
OXY USA INC.'S OWNERSHIP INTEREST IN A GROUP)	VIRGINIA GAS
OF DRILLING UNITS LOCATED IN THE OAKWOOD)	AND OIL BOARD
COALBED GAS FIELD IN BUCHANAN COUNTY, VIRGINIA,)	
WHEREIN OXY USA INC. WAS INITIALLY APPOINTED)	DOCKET NO.
BY THE BOARD TO BE THE UNIT OPERATOR AND WHEREIN)	
OXY USA INC. WILL CONTINUE SUBSEQUENT TO SAID)	VGOB 92-0519-0227
ASSIGNMENT AND SALE TO BE THE UNIT OPERATOR)	
(WHICH UNITS AND THE ORDERS APPOINTING OXY USA INC.)	
AS UNIT OPERATOR ARE MORE PARTICULARLY DESCRIBED)	
AND SET FORTH IN EXHIBIT A HERETO))	

REPORT OF THE BOARDFINDINGS AND ORDER

1. Hearing Date and Place: This matter came on upon the Virginia Gas and Oil Board's (hereafter "Board") own motion for hearing at 9:00 a.m. on May 19, 1992, Southwest Virginia Education 4-H Center, Route 609, Hillman Highway, Abingdon, Virginia 24210 to consider OXY USA Inc.'s Notice of Change of Ownership dated March 19, 1992.

2. Appearances: Byron Thomas Fulmer, Principal Executive to the Staff, Virginia Gas and Oil Board, and Sandra B. Riggs, Assistant Attorney General were present to advise the Board. Howard G. Salisbury and Mark A. Swartz appeared in behalf of OXY USA Inc. and Buchanan Production Company.

3. Findings:

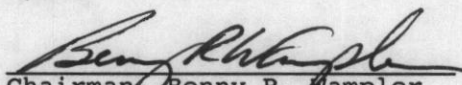
- 3.1 OXY USA Inc. claimed ownership of gas leases, coalbed methane gas leases, and/or coal leases and the right to explore for, develop and produce coalbed methane gas from coal seams within the drilling units located in the Oakwood Coalbed Gas Field, more particularly described and set forth in Exhibit A hereto (hereafter "Subject Drilling Units").
- 3.2 OXY USA Inc. has heretofore applied to the Board, pursuant to §45.1-361.21, Code of Virginia, to pool interests and to be named Unit Operator of Subject Drilling Units. The Board has heretofore granted OXY USA Inc.'s applications to pool interests in the Subject Drilling Units and to be named and designated the Unit Operator of same by orders more particularly set forth and described in Exhibit A hereto.
- 3.3 By instrument filed with the Clerk of Buchanan County, Virginia on or about March 20, 1992, OXY USA Inc. assigned all its ownership interests in coalbed methane leases in the Oakwood Coalbed Gas Field (and certain other interests) to Appalachian Operators, Inc. and Appalachian Methane, Inc., (the partners in Buchanan Production Company) who thereafter assigned said interests to Buchanan Production Company. Appalachian Operators, Inc., and Appalachian Methane, Inc. are wholly owned subsidiaries of Occidental Oil and Gas Corporation.

- 3.4 Buchanan Production Company has delegated to OXY USA Inc. authority to explore, develop and maintain its properties and assets now owned or hereafter acquired, and Buchanan Production Company has designated OXY USA Inc. as Operator for and/or on its behalf, which delegation is evidenced by a Resolution of the Management Committee of Buchanan Production Company heretofore presented to the Board.
- 3.5 OXY USA Inc. has accepted Buchanan Production Company's delegation and has agreed to explore, develop and maintain the properties and assets of Buchanan Production Company now owned or hereafter acquired, and has consented to serve as coalbed methane gas well Unit Operator for Subject Drilling Units and to faithfully discharge the duties imposed upon it as Unit Operator by the Orders set forth in Exhibit A, by statute and by regulations, all as evidenced by OXY USA Inc.'s consent heretofore filed with the Board.

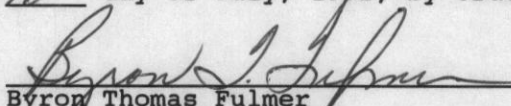
4. Conclusion: The Virginia Gas and Oil Board acknowledges the transfer and sale of OXY USA Inc.'s holdings in Subject Drilling Units into Buchanan Production Company, a Virginia General Partnership. Buchanan Production Company has designated OXY USA Inc. as Operator of Subject Drilling Units for and/or on its behalf, and, likewise, the Board's Orders described in Exhibit A hereto designate OXY USA Inc. as the Unit Operator for Subject Drilling Units; therefore, while the Board acknowledges the transfer and sale of OXY USA Inc.'s holdings in Subject Drilling Units into Buchanan Production Company, it has not been asked to nor does it approve in any way the transfer of the operations of Subject Drilling Units. OXY USA, Inc. is and shall remain Unit Operator of Subject Drilling Units as provided for in the Board Orders set forth in Exhibit A, unless and until otherwise ordered by the Board pursuant to §12 of VR 480-05-22.2, Virginia Gas and Oil Board Regulations.

5. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED THIS 9th day of July, 1992, by a majority of the Virginia Gas and Oil Board.

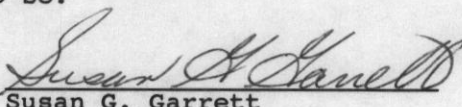

Chairman, Benny R. Wampler

DONE AND PERFORMED this 10th day of July, 1992, by Order of this Board.

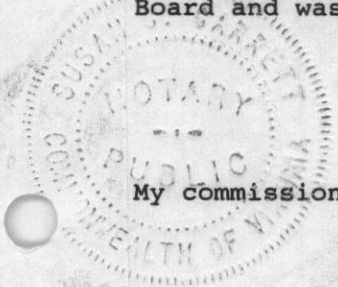

Byron Thomas Fulmer
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

Acknowledged on this 9th day of July, 1992, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed same as Chairman of the Virginia Gas and Oil Board and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires 7/31/94



STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 9th day of July, 1992, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed same as Principal Executive to the Staff of the Virginia Gas and Oil Board and was authorized to do so.

Diane J. Davis
Diane Davis
Notary Public

My commission expires 9/23/92



Exhibit "A"

Notice of Assignment and Sale of Owership
Interests Affecting the following Virginia
Gas and Oil Board Orders

Order No.	Unit No.	Date of Order	Date Filed Buchanan Co.	Deed Book/ Page No.
VGOB 95-6	A-30	10/17/90	10/26/90	DB 366, PG 470
VGOB 95-7	B-25	10/17/90	10/26/90	DB 366, PG 449
VGOB 95-8	C-24	03/27/91	04/01/91	DB 371, PG 835
VGOB 95-14	X-10	10/17/90	10/26/90	DB 366, PG 490
VGOB 95-12	AA-10	10/17/90	10/26/90	DB 366, PG 409
VGOB 95-15	E-25	10/26/90	10/26/90	DB 366, PG 511
VGOB 96-17	X-11	10/17/90	10/26/90	DB 366, PG 429
VGOB 1010-32	AA-8	11/08/90	11/19/90	DB 367, PG 219
VGOB 1010-33	BB-8	11/08/90	11/19/90	DB 367, PG 196
VGOB 1010-31	Y-9	11/08/90	11/19/90	DB 367, PG 326
VGOB 0521-119	P-35	05/31/91	05/31/91	DB 375, PG 473
VGOB 0219-79	Q-33	03/27/91	04/01/91	DB 372, PG 1
VGPB 0521-120	Q-35	05/31/91	07/19/91	DB 377, PG 449
VGOB 91-0924-143	S-7	10/24/91	10/28/91	DB 382, PG 19
VGOB 0219-78	S-32	05/06/91	05/07/91	DB 374, PG 338
VGOB 0924-146	S-33	10/24/91	10/28/91	DB 382, PG 1
VGOB 91-1119-0157	T-1	01/13/92	01/13/92	DP 385, PG 161
VGOB 91-0924-144	T-7	10/24/91	10/28/91	DB 381, PG 839
VGPB 91-1015-154	T-32	06/09/92	06/09/92	DB 392, PG 202
VGOB 91-0924-148	T-34	10/24/91	10/28/91	DB 381, PG 821
VGOB 0618-133	U-10	07/19/91	07/19/91	DB 377, PG 415
VGOB 0521-125	U-11	06/06/91	06/06/91	DB 375, PG 794
VGOB 0430-107	U-12	05/31/91	05/31/91	DB 375, PG 401
VGOB 91-1217-173	U-29	06/09/92	06/09/92	DB 392, PG 224
VGOB 91-1217-174	U-30	06/09/92	06/09/92	DB 392, PG 213
VGOB 0430-108	U-33	05/31/91	05/31/91	DB 575, PG 525
VGOB 0618-134	V-12	07/19/91	07/19/91	DB 377, PG 432
VGOB 0521-122	V-32	06/06/91	06/06/91	DB 375, PG 777
VGOB 0430-109	W-10	05/31/91	05/31/91	DB 375, PG 422
VGOB 91-1015-155	W-12	11/22/91	11/22/91	DB 383, PG 270
VGOB 1010-30	X-9	01/11/91	01/15/91	DB 369, PG 311
VGOB 0430-111	Y-8	05/31/91	05/31/91	DB 375, PG 456
VGOB 0430-113	Y-10	05/31/91	05/31/91	DB 375, PG 508
VGOB 0430-114	Z-8	05/31/91	05/31/91	DB 375, PG 439
VGOB 0430-115	Z-9	05/31/91	05/31/91	DB 375, PG 491
VGOB 0521-126	Z-12	06/06/91	06/06/91	DB 375, PG 812
VGOB 0430-116	AA-9	05/31/91	06/06/91	DB 375, PG 758
VGOB 92-0317-0191	V-34	06/01/92	06/05/92	DB 392, PG 74
VGOB 92-0317-0192	V-35	06/01/92	06/01/92	DB 392, PG 45
VGOB 92-0317-0195	S-13	06/03/92	06/09/92	DB 392, PG 235
VGOB 92-0317-0196	S-14	06/03/92	06/09/92	DB 392, PG 255
VGOB 92-0317-0197	T-13	06/01/92	06/05/92	DB 392, PG 56
VGOB 92-0317-0198	T-14	06/03/92	06/09/92	DB 392, PG 274

VIRGINIA: In the Clerk's Office of the Circuit Court of Buchanan County. The foregoing instrument was this day presented in the office aforesaid and is, together with the certificate of acknowledgment annexed, admitted to record this 31st day of July, 1992, at 12:31 P. M.
Deed Book No. 394 and Page No. 710

TESTE:

James M. Bevins Jr. Clerk
By: Patricia L. Amel, Deputy Clerk

22964

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CLERK'S OFFICE CIRCUIT COURT
BUCHANAN COUNTY, VIRGINIA

Filed and admitted to record,

this 13 day of July 1992
at 12:31 o'clock P. M.

Recorded Deed Book	Page
639 State Tax	
213 County Tax	
212 Transfer	
301 Recording	
038 State Tax	13.00
220 Local Tax	
145 VSLF	

Total 1.00
14.00

Teste James M. Bevins, Jr., Clerk

By JD Dec-

Munroe

Munroe

Dep't of

Env't & Nat'l Resources

Director